

Introduced by Senator Wieckowski

February 19, 2016

An act to amend Section 700 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1424, as introduced, Wieckowski. Shareholder voting.

Existing law, the General Corporation Law, authorizes a corporation to issue one or more classes or series of shares with full, limited, or no voting rights and with such other rights, preferences, privileges and restrictions as are stated or authorized in articles of incorporation of that corporation. Existing law generally provides that each outstanding share is entitled to one vote on each matter submitted to a vote of shareholders.

This bill would make nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 700 of the Corporations Code is amended
- 2 to read:
- 3 700. (a) Except as provided in Section 708 and except as may
- 4 be otherwise provided in the articles, each outstanding share,
- 5 regardless of class, shall be entitled to one vote on each matter
- 6 submitted to a vote of shareholders.
- 7 (b) Any holder of shares entitled to vote on any matter may vote
- 8 part of the shares in favor of the proposal and refrain from voting
- 9 the remaining shares or vote them against the proposal, other than

1 elections to office, but, if the shareholder fails to specify the
2 number of shares—~~such~~ *the* shareholder is voting affirmatively, it
3 will be conclusively presumed that the shareholder’s approving
4 vote is with respect to all shares—~~such~~ *the* shareholder is entitled
5 to vote.

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